

THE HONORABLE BENJAMIN H. SETTLE

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

DENISE NIELSEN,

Plaintiff,

v.

HARTFORD LIFE AND ACCIDENT
INSURANCE COMPANY, a foreign
corporation, and AETNA LIFE INSURANCE
COMPANY, a foreign corporation,

Defendants.

Case No. 3:22-CV-05846-BHS

DEFENDANTS' ANSWER AND
AFFIRMATIVE DEFENSES

Defendants Aetna Life Insurance Company ("Aetna Life") and Hartford Life and Accident Insurance Company, in its limited capacity as attorney-in-fact for Aetna Life in this matter ("Hartford Life") hereby answer Plaintiff's Complaint for Long Term Disability Benefits ("Complaint") as follows:

I. NATURE OF ACTION

1.1. Answering paragraph 1.1, Defendants admit that this action brought by Plaintiff Denise Nielsen ("Plaintiff") is governed by ERISA, but specifically deny that Plaintiff is entitled to any of the relief she seeks in this action. Defendants deny any remaining allegations.

1.2. Answering paragraph 1.2., Defendants admit that Plaintiff is making certain allegations in this action related to a group long-term disability ("LTD") plan (the "Plan"), which is governed by ERISA, but specifically deny that Plaintiff is entitled to any of the relief she seeks in this action. Defendants deny any remaining allegations.

1 **II. JURISDICTION AND VENUE**

2 2.1. Answering paragraph 2.1., this paragraph contains legal contentions to which no
3 answer is required. To the extent any answer is deemed to be required, Defendants admit that
4 this Court has federal question jurisdiction of Plaintiff's ERISA claims. Defendants deny any
5 remaining allegations.

6 2.2. Answering paragraph 2.2., this paragraph contains legal contentions to which no
7 answer is required. To the extent any answer is deemed to be required, Defendants admit that
8 venue is proper in this federal court. Defendants deny any remaining allegations.

9 **III. PARTIES**

10 3.1. Answering paragraph 3.1., Defendants lack information sufficient to form a belief
11 about the truth of the allegations regarding Plaintiff's residence and therefore deny the same.
12 Defendants admit that Plaintiff was, for some period of time, an employee of The Boeing
13 Company ("Boeing") and that, by virtue of her employment with Boeing, Plaintiff became a
14 participant in the Plan, which is governed by ERISA. Defendants further state that this paragraph
15 contains legal contentions to which no answer is required. Defendants deny any remaining
16 allegations.

17 3.2. Answering paragraph 3.2., Defendants admit that Aetna Life and Hartford Life
18 are both foreign corporations doing business in the State of Washington, and that their respective
19 primary places of business are located in the State of Connecticut. Defendants specifically deny
20 that Aetna Life's principal place of business is located in Kentucky. Defendants further admit
21 that Aetna Life issued the group LTD policy to Boeing (the "Policy") and that Aetna Life is the
22 entity responsible for paying legitimate LTD benefit claims to eligible and qualified participants
23 when appropriate under the terms of the Policy and/or Plan. Defendants further admit that,
24 pursuant to an agreement between Aetna Life and Hartford Life, Hartford Life agreed to reinsure
25 100% of the liabilities arising under the terms of certain Aetna Life group insurance policies,
26 including the Policy at issue in this lawsuit. Defendants further answer that, pursuant to this
27 agreement, Aetna Life appointed Hartford Life as its lawful attorney-in-fact to administer, among

1 other things, the claims arising under the reinsured policies, including Plaintiff's claim giving
2 rise to this lawsuit. Defendants deny any remaining allegations.

3 3.3. Answering paragraph 3.3., Defendants admit that, pursuant to an agreement
4 between Aetna Life and Hartford Life, Hartford Life agreed to reinsure 100% of the liabilities
5 arising under the terms of certain Aetna Life group insurance policies, including the Policy at
6 issue in this lawsuit. Defendants further answer that, pursuant to this agreement, Aetna Life
7 appointed Hartford Life as its lawful attorney-in-fact to administer, among other things, the
8 claims arising under the reinsured policies, including Plaintiff's claim giving rise to this lawsuit.
9 Defendants deny any remaining allegations.

10 3.4 Answering paragraph 3.4, Defendants admit that, pursuant to an agreement
11 between Aetna Life and Hartford Life, Hartford Life agreed to reinsure 100% of the liabilities
12 arising under the terms of certain Aetna Life group insurance policies, including the Policy at
13 issue in this lawsuit. Defendants further admit that Aetna Life appointed Hartford Life as its
14 lawful attorney-in-fact to administer, among other things, the claims arising under the reinsured
15 policies, including Plaintiff's claim giving rise to this lawsuit. Defendants further state that this
16 paragraph contains legal contentions to which no answer is required. Defendants deny any
17 remaining allegations.

18 **IV. FACTUAL ALLEGATIONS**

19 4.1. Answering paragraph 4.1., Defendants admit that the Plan provides LTD benefits
20 to Boeing employees who are eligible and qualified participants under the terms of the Policy
21 and/or Plan. Defendants deny any remaining allegations.

22 4.2. Answering paragraph 4.2., Defendants admit that Aetna Life issued the Policy to
23 Boeing and that the Plan provides LTD benefits to Boeing employees who are eligible and
24 qualified participants under the terms of the Policy and/or Plan. Defendants deny any remaining
25 allegations.

26 4.3. Answering paragraph 4.3., this paragraph contains legal contentions to which no
27 answer is required. To the extent any answer is deemed to be required, Defendants state by way

1 of answer that the Policy and/or Plan documents speak for themselves. Defendants also
2 specifically deny that they are the Plan Administrators. Defendants deny any remaining
3 allegations.

4 4.4. Answering paragraph 4.4., this paragraph contains legal contentions to which no
5 answer is required. To the extent any answer is deemed to be required, Defendants admit that
6 Aetna Life is the entity responsible for paying legitimate LTD benefit claims to eligible and
7 qualified participants when appropriate under the terms of the Policy and/or Plan. Defendants
8 state by way of further answer that the Policy and/or Plan documents speak for themselves.
9 Defendants deny any remaining allegations.

10 4.5. Answering paragraph 4.5., Defendants admit that Aetna Life is the entity
11 responsible for administering claims for LTD benefits under the terms of the Policy and/or Plan.
12 Defendants further admit that Aetna Life appointed Hartford Life as its lawful attorney-in-fact to
13 administer, among other things, the claims arising under the reinsured policies, including
14 Plaintiff's claim giving rise to this lawsuit. Defendants further state that this paragraph contains
15 legal contentions to which no answer is required. Defendants deny any remaining allegations.

16 4.6. Answering paragraph 4.6., Defendants admit that Aetna Life is the entity
17 responsible for administering claims for LTD benefits under the terms of the Policy and/or Plan.
18 Defendants further admit that Aetna Life appointed Hartford Life as its lawful attorney-in-fact to
19 administer, among other things, the claims arising under the reinsured policies, including
20 evaluation of LTD claims made under the Plan, and including Plaintiff's claim giving rise to this
21 lawsuit. Defendants deny any remaining allegations.

22 4.7. Answering paragraph 4.7., Defendants admit that Aetna Life is the entity
23 responsible for administering claims for LTD benefits under the terms of the Policy and/or Plan.
24 Defendants further admit that Aetna Life appointed Hartford Life as its lawful attorney-in-fact to
25 administer, among other things, the claims arising under the reinsured policies, including the
26 determination of Plan participants' eligibility for, and entitlement to, LTD benefits under the
27

1 terms of the Policy and/or Plan, and including Plaintiff's claim giving rise to this lawsuit.
2 Defendants deny any remaining allegations.

3 4.8. Answering paragraph 4.8., Defendants admit that the Plan pays LTD benefits to
4 eligible and qualified participants when appropriate under the terms of the Policy and/or Plan and
5 that, to qualify for LTD benefits, an eligible participant must, *inter alia*, be "disabled" under the
6 terms of the Policy and/or Plan. Defendants state by way of further answer that the Policy and/or
7 Plan documents speak for themselves. Defendants deny any remaining allegations.

8 4.9. Answering paragraph 4.9., Defendants admit that, on information and belief,
9 Plaintiff was employed by Boeing as a Benefits Specialist for some period of time, that she was
10 terminated by Boeing in or around December 2020, and that she stopped actively working for
11 Boeing beginning August 27, 2020. Defendants deny the remaining allegations.

12 4.10. Answering paragraph 4.10., this paragraph contains legal contentions to which no
13 answer is required. To the extent any answer is deemed to be required, Defendants state by way
14 of answer that the Policy and/or Plan documents speak for themselves. Defendants deny any
15 remaining allegations.

16 4.11. Answering paragraph 4.11., this paragraph contains legal contentions to which no
17 answer is required. To the extent any answer is deemed to be required, Defendants state by way
18 of answer that the Policy and/or Plan documents speak for themselves. Defendants deny any
19 remaining allegations.

20 4.12. Answering paragraph 4.12., this paragraph contains legal contentions to which no
21 answer is required. To the extent any answer is deemed to be required, Defendants state by way
22 of answer that the Policy and/or Plan documents speak for themselves. Defendants deny any
23 remaining allegations.

24 4.13. Answering paragraph 4.13., Defendants do not dispute, on information and belief,
25 that premiums were paid to Aetna Life for disability coverage under the Policy and/or Plan.
26 Defendants specifically deny that Plaintiff is eligible for or entitled to receive any LTD benefits
27 under the terms of the Policy and/or Plan. Defendants deny any remaining allegations.

1 4.14. Answering paragraph 4.14., Defendants admit, on information and belief, that
2 Plaintiff has been diagnosed with certain conditions as identified in the Administrative Record
3 in this matter and state by way of further answer that the Administrative Record speaks for itself.
4 Defendants specifically deny that the conditions were continuously disabling within the meaning
5 of the Policy and/or Plan. Defendants deny any remaining allegations.

6 4.15. Answering paragraph 4.15, Defendants admit, on information and belief, that
7 Plaintiff has been diagnosed with certain conditions as identified in the Administrative Record
8 in this matter and state by way of further answer that the Administrative Record speaks for itself.
9 Defendants specifically deny that the conditions were continuously disabling within the meaning
10 of the Policy and/or Plan. Defendants deny any remaining allegations.

11 4.16. Answering paragraph 4.16., Defendants admit, on information and belief, that
12 Plaintiff has been diagnosed with certain conditions as identified in the Administrative Record
13 in this matter and state by way of further answer that the Administrative Record speaks for itself.
14 Defendants specifically deny that the conditions were continuously disabling within the meaning
15 of the Policy and/or Plan. Defendants deny any remaining allegations.

16 4.17. Answering paragraph 4.17., Defendants deny the allegations.

17 4.18. Answering paragraph 4.18., Defendants deny that Plaintiff is entitled to any LTD
18 benefits under the terms of the Policy and/or Plan and therefore deny the allegations. Defendants
19 deny any remaining allegations.

20 4.19. Answering paragraph 4.19., Defendants admit, on information and belief, that
21 Plaintiff applied for short-term disability (“STD”) from Boeing under the terms of a separate
22 STD Plan. Defendants deny any remaining allegations.

23 4.20. Answering paragraph 4.20., Defendants admit, on information and belief, that
24 Plaintiff received the maximum amount of STD benefits under the terms of the separate STD
25 Plan. Defendants deny any remaining allegations.

26 4.21. Answering paragraph 4.21, Defendants deny that the terms of the STD Plan and
27 the LTD Plan, which must be read as a whole, are identical, and therefore deny the allegations.

1 Defendants further state by way of answer that the Policy and/or Plan documents speak for
2 themselves. Defendants deny any remaining allegations.

3 4.22. Answering paragraph 4.22., Defendants admit that Plaintiff applied for LTD
4 benefits under the terms of the Policy and/or Plan and that Plaintiff's LTD claim was reviewed
5 under the terms of the Policy and/or Plan. Defendants deny any remaining allegations.

6 4.23. Answering paragraph 4.23., Defendants admit that Plaintiff's LTD benefits claim
7 was denied in a letter dated March 25, 2021, which letter speaks for itself. Defendants state by
8 way of further answer that the letter was sent by Hartford Life acting in its capacity as attorney-
9 in-fact for Aetna Life. Defendants deny any remaining allegations.

10 4.24. Answering paragraph 4.24., Defendants admit that Plaintiff provided a letter dated
11 June 7, 2022, with enclosures to be considered on appeal, which letter and enclosures speak for
12 themselves. Defendants deny any remaining allegations.

13 4.25. Answering paragraph 4.25., Defendants admit that the denial of Plaintiff's LTD
14 benefits claim was upheld on appeal in a letter dated August 25, 2022 (not August 22, 2022 as
15 the Complaint alleges), which letter speaks for itself. Defendants state by way of further answer
16 that the letter was sent by Hartford Life acting in its capacity as attorney-in-fact for Aetna Life.
17 Defendants deny any remaining allegations.

18 4.26. Answering paragraph 4.26, Defendants deny that they engage in any actions that
19 result in the wrongful denial of valid claims under the terms of the Plan and/or Policy and
20 therefore deny the allegations. Defendants deny any remaining allegations.

21 4.27. Answering paragraph 4.27., Defendants deny that Plaintiff provided objective
22 medical proof of her continuous disability under the terms of the Plan and/or Policy and therefore
23 deny the allegations. Defendants deny any remaining allegations.

24 4.28. Answering paragraph 4.28., Defendants deny that they have engaged in any
25 wrongful actions or that Plaintiff has sustained any economic damages and therefore deny the
26 allegations. Defendants deny any remaining allegations.

1 4.29. Answering paragraph 4.29., this paragraph contains legal contentions to which no
2 answer is required. To the extent any answer is deemed to be required, Defendants deny that
3 they have violated any ERISA regulations. Defendants deny any remaining allegations.

4 4.30. Answering paragraph 4.30., deny the allegations.

5 4.31. Answering paragraph 4.31., Defendants state by way of answer that Aetna Life is
6 the entity responsible for paying legitimate LTD benefit claims to eligible and qualified
7 participants when appropriate under the terms of the Policy and/or Plan and that Aetna Life is
8 the entity responsible for administering claims for LTD benefits under the terms of the Policy
9 and/or Plan. Defendants state by way of further answer that, pursuant to an agreement between
10 Aetna Life and Hartford Life, Hartford Life agreed to reinsure 100% of the liabilities arising
11 under the terms of certain Aetna Life group insurance policies, including the Policy at issue in
12 this lawsuit. Defendants further answer that, pursuant to this agreement, Aetna Life appointed
13 Hartford Life as its lawful attorney-in-fact to administer, among other things, the claims arising
14 under the reinsured policies, including Plaintiff's claim giving rise to this lawsuit. Defendants
15 deny any remaining allegations.

16 4.32. Answering paragraph 4.32., Defendants state by way of answer that Aetna Life is
17 the entity responsible for paying legitimate LTD benefit claims to eligible and qualified
18 participants when appropriate under the terms of the Policy and/or Plan and that Aetna Life is
19 the entity responsible for administering claims for LTD benefits under the terms of the Policy
20 and/or Plan. Defendants state by way of further answer that, pursuant to an agreement between
21 Aetna Life and Hartford Life, Hartford Life agreed to reinsure 100% of the liabilities arising
22 under the terms of certain Aetna Life group insurance policies, including the Policy at issue in
23 this lawsuit. Defendants further answer that, pursuant to this agreement, Aetna Life appointed
24 Hartford Life as its lawful attorney-in-fact to administer, among other things, the claims arising
25 under the reinsured policies, including Plaintiff's claim giving rise to this lawsuit. Defendants
26 deny that they improperly terminated Plaintiff's LTD benefits claim and therefore deny that any
27

1 conflict of interest affected the LTD benefits decision at issue in this matter. Defendants deny
2 any remaining allegations.

3 4.33. Answering paragraph 4.33., Defendants deny that they improperly terminated
4 Plaintiff's LTD benefits claim and therefore deny the allegations. Defendants deny any
5 remaining allegations.

6 4.34. Answering paragraph 4.34., Defendants deny that they delay payment on or deny
7 any claims they know to be meritorious, and therefore deny the allegations. Defendants deny
8 any remaining allegations.

9 4.35. Answering paragraph 4.35., Defendants deny that they delay payment on or deny
10 any claims they know to be valid, and therefore deny the allegations. Defendants deny any
11 remaining allegations.

12 4.36. Answering paragraph 4.36., Defendants deny that they delay payment on or deny
13 any claims they know to be valid or meritorious and therefore deny the allegations. Defendants
14 deny any remaining allegations.

15 4.37. Answering paragraph 4.37., Defendants deny that take any actions to delay
16 payment on claims and therefore deny the allegations. Defendants deny any remaining
17 allegations.

18 4.38. Answering paragraph 4.38., Defendants deny that fail to establish, follow, or
19 maintain reasonable claims procedures as required by ERISA, and therefore deny the allegations.
20 Defendants deny any remaining allegations.

21 4.39. Answering paragraph 4.39., Defendants deny that they violate ERISA or
22 otherwise take any actions in violation of ERISA to increase profits at the expense of the people
23 they insure, and therefore deny the allegations. Defendants deny any remaining allegations.

24 4.40. Answering paragraph 4.40., Defendants admit that Plaintiff has exhausted her
25 administrative remedies with respect to her claim in this matter for LTD benefits under the Plan.
26 Defendants deny any remaining allegations.

1 **V. RIGHT TO BENEFITS UNDER ERISA**

2 Defendants reallege and incorporate by reference all of their answers as set forth in
3 Sections I-IV of this Answer.

4 5.1. Answering paragraph 5.1., this paragraph contains legal contentions to which no
5 answer is required. To the extent any answer is deemed to be required, Defendants admit that
6 the Plan at issue in this matter is governed by ERISA. Defendants deny any remaining
7 allegations.

8 5.2. Answering paragraph 5.2., Defendants deny that they wrongfully denied
9 Plaintiff's LTD benefits claim and therefore deny the allegations. Defendants deny any
10 remaining allegations.

11 5.3. Answering paragraph 5.3., Defendants deny that they breached any duties owed
12 to Plaintiff, engaged in any wrongful conduct, or caused Plaintiff any damages, and therefore
13 deny the allegations. Defendants deny any remaining allegations.

14 5.4. Answering paragraph 5.4., Defendants admit that Plaintiff is making certain
15 ERISA claims but deny any wrongdoing and deny that Plaintiff is entitled to any relief and
16 therefore deny the allegations. Defendants deny any remaining allegations.

17 5.5. Answering paragraph 5.5., this paragraph contains legal contentions to which no
18 answer is required. To the extent any answer is deemed to be required, Defendants do not dispute,
19 for purposes of this claim only, that review in this matter is *de novo*. In doing so, Defendants
20 reserve their right to assert that the abuse of discretion standard applies in any and all other
21 matters, and its agreement not to dispute the standard of review in this particular matter is not
22 and should not be interpreted as an admission or waiver regarding the standard of review in any
23 other matter or for any other reason. Defendants deny any remaining allegations.

24 **VI. PRAYER FOR RELIEF**

25 6.1. – 6.8. Answering Plaintiff's Prayer for Relief on Pages 7-8 of Plaintiff's
26 Complaint, including paragraphs 6.1., 6.2., 6.3., 6.4., 6.5., 6.6., 6.7., and 6.8., to the extent any
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1 answer is required, Defendants deny that Plaintiff is entitled to any relief in this matter and
2 therefore deny the allegations. Defendants deny any remaining allegations.

3 Except as expressly admitted, Defendants deny any and all remaining allegations in
4 Plaintiff's Complaint.

5 6 **AFFIRMATIVE DEFENSES**

7 BY WAY OF FURTHER ANSWER AND DEFENSE, and in an abundance of caution,
8 Defendants assert the following defenses and affirmative defenses, some or all of which may
9 ultimately be supported by the facts to be revealed in the investigation of this case. **Upon request
10 and after further investigation, if appropriate, Defendants will withdraw those defenses
11 that are unsupported by the facts revealed through further investigation, should there be
12 any.**

13 **FIRST AFFIRMATIVE DEFENSE**

14 Plaintiff's Complaint, or some of the allegations in it, fails to state a claim upon which
15 relief may be granted, because, *inter alia*, Plaintiff is not entitled to any further LTD benefits or
16 other relief under the terms of the Policy and/or Plan.

17 **SECOND AFFIRMATIVE DEFENSE**

18 Hartford Life is not a proper defendant in this matter.

19 **THIRD AFFIRMATIVE DEFENSE**

20 Defendants affirmatively allege that any alleged liability of Defendants is subject to, and
21 that Plaintiff's claims are barred by, the terms, conditions, limitations, endorsements, exclusions,
22 and effective dates of the documents and instruments governing the Policy and/or Plan. Copies
23 of the governing Policy and/or Plan documents are incorporated into this answer by reference as
24 if fully set forth herein. Defendants reserve the right to rely upon any and all provisions and
25 terms of the Policy and/or Plan in defense of this matter.

FOURTH AFFIRMATIVE DEFENSE

Any determinations made by Defendants with respect to Plaintiff's claims were made in the interest of all participants and beneficiaries and in accordance with the terms and conditions of the Policy and/or Plan; Defendants acted reasonably and in good faith at all times.

FIFTH AFFIRMATIVE DEFENSE

Plaintiff's demand for attorneys' fees should be denied, because Defendants' defenses to this action are reasonable and made in good faith.

SIXTH AFFIRMATIVE DEFENSE

Any remedy available for any act or omission by Defendants is limited solely to those remedies available under ERISA. To the extent Plaintiff asserts claims and/or seeks remedies not allowed under ERISA, such claims are preempted, and such remedies should be denied.

SEVENTH AFFIRMATIVE DEFENSE

If the Court should determine that Plaintiff is entitled to disability benefits, the entitlement to which Defendants deny, then, pursuant to the Policy and/or Plan documents at issue, Defendants are entitled to an offset of benefits for any and all payments for other income received by Plaintiff and/or an estimated amount of other income, including, but not limited to, Social Security disability benefits, workers' compensation, other group disability benefits collected by Plaintiff and any other sources of income received by Plaintiff.

EIGHTH AFFIRMATIVE DEFENSE

To the extent Plaintiff is deemed entitled to recover benefits, and without admitting Plaintiff is entitled to recover benefits under the Plan and/or Policy, such immediate entitlement does not mean Plaintiff has an entitlement to unlimited future benefits given, *inter alia*, the possibility for future recovery from any disabling conditions (the existence of which are denied), as well as the effect of different Plan and/or Policy requirements, exclusions, or limitations. The Plan and/or Policy do not permit or provide for payment of accelerated or future benefits.

RESERVATION OF RIGHTS

Defendants reserve the right to add additional affirmative defenses, or to strike affirmative defenses asserted herein, pending discovery.

DEFENDANTS' PRAYER FOR RELIEF

WHEREFORE, having answered Plaintiff's Complaint and asserted affirmative defenses, Defendants pray for judgment as follows:

1. For dismissal of Plaintiff's Complaint with prejudice;
2. For Defendants' costs, disbursements, and attorneys' fees in an amount to be determined at the time of trial; and
3. For such other and further relief as the Court deems just and equitable.

DATED: December 21, 2022

JENSEN MORSE BAKER PLLC

By s/ Sarah E. Swale

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Attorneys for Defendants Aetna and Hartford Life

CERTIFICATE OF SERVICE

Pursuant to RCW 9A.72.085, the undersigned certifies under penalty of perjury under the laws of the State of Washington, that on the date identified below the document attached hereto was delivered to the below counsel in the manner indicated.

Aaron I. Engle
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- ☒ by CM/ECF
- ☐ by Electronic Mail
- ☐ by Facsimile Transmission
- ☐ by First Class Mail
- ☐ by Hand Delivery
- ☐ by Overnight Delivery

DATED December 21, 2022

By s/ Sarah E. Swale
Sarah E. Swale